

District of Columbia State Data Center Monthly Brief

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Income and Earnings Nationally

This report presents data on income and earnings in the United States based on information collected in the 2006 American Community Survey (ACS) conducted by the U.S. Census Bureau. The measure of income used in this report is based on money income received (exclusive of certain money receipts such as capital gains), before any deductions like taxes, social security, and Medicare. Money income does not include the value of non cash benefits like food stamps, health benefits, subsidized housing, and goods produced and consumed on the farm.

- Incomes were generally higher on the East and West coasts than they were in the rest of the country.
- Compared to states, District of Columbia showed the highest level of income inequality.
- In all states, women's median earnings were less than men's.
- The District of Columbia had the highest ratio of women's to men's earnings, women earned 98 cents for every dollar men earned.
- For men and women, the more education, the larger the earnings potential.

2006 Highlights

- Asian households had the highest median household income among race groups (\$63,642).
- Black households had the lowest median household income among race groups (\$32,372).

Household Income

The income of a household includes the income of the householder and all other people 15 years and older in the household, whether or not they are related to the householder. Median

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**Table 1. Median Household Income by Race and Hispanic Origin
United States, 2006**

Race and Hispanic Origin	Median Household Income (dollars)
All households	\$48,451
White alone	\$51,429
White alone, not Hispanic	\$52,375
Black alone	\$32,372
American Indian and Alaska Native alone	\$33,762
Asian alone	\$63,642
Native Hawaiian and Other Pacific Islander alone	\$49,361
Some Other Race alone	\$38,372
Two or More Races	\$42,213
Hispanic (any race)	\$38,747

Source: U.S. Census Bureau, 2006 American Community Survey

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household income is used for comparisons of household income. The median is that point that divides the household income distribution into halves, one half having incomes above the median and the other having incomes below the median. The median is based on the distribution of all households, including those with no income.

In 2006, the median household income for all households in the United States was \$48,451. Asian households had the highest median household income among race groups (\$63,642), followed by non-Hispanic White households (\$52,375), Native Hawaiian and Other Pacific Islander households (\$49,361), and Some Other Race households (\$38,372) (Table 1). The lowest median household income groups were American Indian and Alaska Native households (\$33,762), and Black households (\$32,372). Hispanic households had a median household income of \$38,747 in 2006.

The median household income for states ranged from \$65,144 for Maryland to \$34,473 for Mississippi. Maryland, New Jersey, and Connecticut had median household incomes above \$60,000 in 2006, while Mississippi, West Virginia and Arkansas had median household incomes below \$37,500. In 2006, the median household income in the District of Columbia was \$51,847. Incomes were generally higher on the East and West coasts than they were in the rest of the country. Of the 18 states whose median incomes were higher than the median for the United States, 13 were coastal states.

For counties with 250,000 or more people, median household income estimates ranged from \$100,318 for Fairfax County, VA to \$27,672 for Cameron County, TX. Except for Bronx County, NY and Baltimore City, MD, counties with high median household incomes are found in states with

incomes above the U.S. median, and counties with lower median household incomes are in states with incomes below the U.S. median. Both New York and Maryland have counties (or county equivalents) on both the high and low median household income lists. Median household income in Maryland counties ranged from \$94,260 for Howard County, MD, to \$36,031 for Baltimore City, MD. For New York, median household income ranged from \$85,994 for Nassau County, NY, to \$31,494 for Bronx County, NY.

Income Inequality

The Gini index is a summary measure of income inequality. It indicates how much the income distribution differs from proportionate distribution (one where everyone would have the same income: for example 20 percent of the population would have 20 percent of the income, 40 percent of the population would have 40 percent of the income, etc.). The Gini index varies from 0 to 1, where 0 indicates perfect equality (a proportionate distribution of income), and 1 indicates perfect inequality (where one person has all the income and no one else has any. This index was .464 for the U.S. and varied from state to state, ranging from .537 for the District of Columbia (the highest level of inequality) to .410 for Utah (the closest level to equality). Six states and the District of Columbia showed more income inequality than the nation.

Median Earnings

Earnings are the sum of wages and salary income, and self-employment income. The median earnings of men in the United States in 2006 were \$42,210 and for women \$32,649. Nationally, women earned 77 cents for every dollar men earned. The District of Columbia had the highest ratio of women's to men's earnings, 98 cents for every dollar with no significant dif-

ference found between women and men median earnings, unlike the 50 states. Generally, women's earnings were closer to men's earnings in more states in the South and the West than in the Northeast and Midwest.

In 2006, Asian men had higher median earnings (\$50,159) than men in any other single-race group (Table 2). Non-Hispanic White men had the second highest median earnings with \$47,814, followed by Native Hawaiian and Other Pacific Islander men (\$34,641), Black men (\$34,480), and American Indian and Alaska Native men (\$32,684). The race group Some Other Race had the lowest median earnings for men (\$27,156). The median earnings for Hispanic men were \$27,490.

The earnings pattern reported for women was similar to that of men. Asian women had the highest median earnings (\$38,613) among racial groups. American Indian and Alaska Native women had the lowest median earnings (\$27,370), followed by women of Some Other Race (\$23,962). Hispanic women had median earnings of (\$24,738).

Earnings by Educational Attainment

A person's level of education is a predictor of earnings. The more educated an individual, the higher the earnings potential for both men and women. The 2006 American Community Survey showed the median earnings for men and women 25 years and older who did not complete high school at \$22,151 and \$13,255, respectively (Table 2). For high school graduates, median earnings increased to \$31,715 for men and \$20,650 for women. Men with a bachelor's degree earned a median income of \$55,446, while women earned \$36,875. While earnings of men and women increased along with their educational level, men **INCOME AND EARNINGS** cont. page 3

earned more than women at each level. However, the ratio of women's to men's earnings increased as educational level increased.

Earnings by Industry and Occupation

By industry, in 2006, men earned most income in the management of companies and enterprises sector (\$72,383) (Table 2). Men in the accommodation and food services sector had the lowest median earnings (\$25,172). For women, no one sector had a statistically significant lead in median earnings in 2006. Women made \$40,000 or higher in professional, scientific, and technical services; management of companies and enterprises; utilities; information; and public administration. As with men, the sector with the lowest median earnings for women was accommodation and food services (\$19,908).

In terms of occupation, men earned the highest median incomes in legal occupations (\$104,430) and the least in food preparation and serving (\$21,588) (Table 2). For women, the highest median incomes were earned in computer and mathematical occupations (\$61,081), and the least in farming, fishing, and forestry occupations (\$17,296).

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Table 2. Median Earnings by Gender by Selected Characteristics: United States 2006

Selected Characteristics	Median Earnings (dollars)		Women's Earnings as a Percentage of Men's Earnings
	Men	Women	
Race and Hispanic Origin			
White alone	\$45,727	\$34,133	74.7
White alone, not Hispanic	\$47,814	\$35,151	73.5
Black alone	\$34,480	\$30,398	88.2
American Indian and Alaska Native alone	\$32,684	\$27,370	83.7
Asian alone	\$50,159	\$38,613	77.0
Native Hawaiian and Other Pacific Islander alone	\$34,641	\$31,171	90.0
Some Other Race alone	\$27,156	\$23,962	88.2
Two or More Races	\$38,600	\$32,005	82.9
Hispanic (any race)	\$27,490	\$24,738	90.0
Educational Attainment			
Less than high school graduate	\$22,151	\$13,255	59.8
High school graduate	\$31,715	\$20,650	65.1
Some college or associate's degree	\$40,217	\$26,300	65.4
Bachelor's degree	\$55,446	\$36,875	66.5
Graduate or professional degree	\$73,991	\$49,164	66.4
Industry			
Accommodation and food services	\$25,172	\$19,908	79.1
Administrative and support, and waste management	\$31,058	\$28,230	90.9
Agriculture, forestry, fishing, and hunting	\$26,770	\$21,914	81.9
Arts, entertainment, and recreation	\$35,033	\$28,908	82.5
Construction	\$36,745	\$34,952	95.1
Educational services	\$45,821	\$38,069	83.1
Finance and insurance	\$67,233	\$37,390	55.6
Health care and social assistance	\$48,062	\$32,122	66.8
Information	\$57,284	\$41,952	73.2
Management of companies and enterprises	\$72,283	\$45,432	62.8
Manufacturing	\$44,351	\$31,611	71.3
Mining	\$51,934	\$41,341	79.6
Professional, scientific, and technical services	\$72,184	\$45,459	63.0
Public administration	\$52,095	\$40,602	77.9
Real estate, and rental and leasing	\$41,976	\$36,908	87.9
Retail trade	\$34,872	\$25,082	71.9
Transportation and warehousing	\$44,879	\$36,856	82.1
Wholesale trade	\$43,969	\$35,072	79.8
Other services	\$34,856	\$25,035	71.8
Occupation			
Architecture and engineering occupations	\$67,761	\$55,029	81.2
Computer and mathematical occupations	\$70,423	\$61,081	86.7
Education, training, and library occupations	\$50,271	\$38,397	76.4
Farming, fishing, and forestry occupations	\$22,344	\$17,296	77.4
Food preparation and serving related occupations	\$21,588	\$17,369	80.5
Health care practitioner and technical occupations	\$71,927	\$48,884	68.0
Legal occupations	\$104,430	\$51,435	49.3
Management occupations	\$69,669	\$50,953	73.1

Source: American Community Survey, 2006